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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

EIC-WGR-1/3

19 March 1956

**PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS**

ECONOMIC INTELLIGENCE COMMITTEE

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S-E-C-R-E-T

CONTENTS

	<u>Page</u>
I. Summary of Events, 28 February - 12 March 1956	1
II. Background Notes on Items of Special Interest	2
A. Economic	2
1. New Developments in India	2
2. Soviet Credit to Afghanistan	5
3. Soviet Technological Institute in Burma	6
4. Sino-Japanese Commercial Agreements	7
5. Egyptian-Czechoslovak Cotton Disagreement	9
6. Soviet Air to Libya	10
7. Soviet-Yugoslav Mineral Negotiations	10
8. Sino-Soviet Bloc Trade with Latin America	12
B. Military	13
1. Egypt	13
2. Syria	13
3. Other Middle East Countries	14
4. Afghanistan	14
5. India	15
6. Latin America	16
III. Other Significant Developments	16
A. Technical Aid	16
1. Offers	16
2. Acceptances	17

- iii -

S-E-C-R-E-T

S-E-C-R-E-T

	<u>Page</u>
B. Industrial Installations	17
1. Offers	17
2. Reported Acceptances	17
C. Trade Agreements	18
1. USSR-Yemen	18
2. Poland and Rumania-Ceylon	19

S-E-C-R-E-T

SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS*

I. Summary of Events, 28 February - 12 March 1956.

The most significant Sino-Soviet Bloc efforts to expand economic relations with underdeveloped areas in the Free World during the period 28 February to 12 March 1956 were the formal acceptance by India of Soviet aid for the construction of a steel plant, the Soviet delivery of equipment for a mechanized farm in India, trade discussions between Communist China and Japan, and the Soviet offer to finance the development of mineral deposits in Yugoslavia.

The integrated steel plant to be erected at Bhilai, India, by the USSR will have a capacity of at least 1 million metric tons** and will place the USSR in competition for the first time with Western enterprises constructing comparable plants on foreign soil.

In South Asia, the USSR also signed an agreement with Afghanistan specifying the nature of technical assistance offered to that country and sent a team of Soviet specialists to Burma to aid in the planning and operation of a Technological Institute in Rangoon. East Germany and India discussed the tentative location of a raw film factory; and Czechoslovakia signed a contract for the delivery of a cement factory and a sugar refinery to India. Ceylon signed a trade agreement with Poland -- the first agreement it has made with a Sino-Soviet Bloc country except for the rice-rubber barter agreement with Communist China -- and is now negotiating an agreement with Rumania.

* Although the main emphasis of the Biweekly is on economic activities of the Sino-Soviet Bloc in underdeveloped areas of the Free World, significant Bloc activities of this nature in areas not considered underdeveloped also will be discussed.

** Tonnages throughout this report are given in metric tons.

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Next 19 Page(s) In Document Exempt

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